

MISSISSIPPI DIVISION OF MEDICAID

Eligibility Policy and Procedures Manual

302.04 REAL PROPERTY EXCLUSIONS

The value of the resources in this section may be excluded, in part or in whole, when determining eligibility.

302.04.01 HOME PROPERTY

An individual's home is property he has ownership interest in and is his principal place of residence. It may include:

- The shelter he lives in.
- The land on which the shelter is located.
- All buildings on the land.

Procedure
<p><u>Principal Place of Residence</u></p> <ul style="list-style-type: none">• A principal place of residence is the dwelling that an individual considers his/her principal home. It may be:<ul style="list-style-type: none">○ Real or personal property○ Fixed or mobile○ Located on land or water <p>Example: If a person owns and resides in a houseboat on a lake, the boat may qualify as home property.</p> <ul style="list-style-type: none">• If a person owns land and intends to reside on it, it may be considered home property if there is no other principal place of residence.• If a person owns the land, but not the shelter, the land is considered the residence. <p>Example: A person owns the land he lives on, but lives in a mobile home owned by his parents.</p> <ul style="list-style-type: none">• If a person owns the shelter, but not the land, the shelter is the residence. <p>Example: A person owns the mobile home, but rents the lot on which it is located.</p>

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Home Property (Continued)

Procedure
<p><u>Home Exclusion</u></p> <ul style="list-style-type: none">• The home exclusion applies to:<ul style="list-style-type: none">○ The shelter in which the individual lives○ All buildings on the property○ The land on which the shelter is located and any land adjoining it as long as it is not separated by land that neither the individual or spouse has an ownership interest in.<ul style="list-style-type: none">▪ Easements and public rights of way (utility lines, roads, etc.) do not separate other land from the home plot. <p><u>Home Out-Of- State</u></p> <p>If an applicant's home property is located out-of-state, policy governing state residency applies. It is not permissible for the individual to intend to return to his principal place of residence out-of-state and at the same time intend to reside in Mississippi. If the applicant intends to return home to another state, he cannot be considered a Mississippi resident for Medicaid eligibility purposes. If the applicant intends to reside in Mississippi, a home out-of-state cannot be excluded as his principal place of residence.</p> <p><u>Evidence of Home Property Ownership</u></p> <p>Ownership of home property can be verified by one or more items of evidence such as:</p> <ul style="list-style-type: none">• Tax assessment notice• Recent tax bill• Current mortgage statement• Deed• Report of title search• Evidence of heirship in an unprobated estate such as receipt of income from the property, a will, or evidence of relationship recognizable under state intestate distribution laws in cases where the home is unprobated property• Title and current registration for mobile homes

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Procedure
<p><u>Treatment of Home Property Under SSI Resource Policy</u></p> <p>An individual's home, regardless of value, is an excluded resource if the individual:</p> <ul style="list-style-type: none">• Resides in the home or• Is absent and intends to return to the home <p>Example: An individual is residing with her children due to an illness, but intends to go home when health permits. <u>The intent is based on the person's desire to return home.</u></p> <p>No Intent to Return to Home</p> <p>If the individual leaves the home and does not intend to return home to it, it is no longer considered the person's principal place of residence. The home exclusion no longer applies as of the date the individual leaves with the intent not to return or the date the individual no longer intends to return. The month after there is no intent to return, the property will be considered a countable resource unless another exclusion develops.</p> <p>A home can be excluded without an intent to return, if:</p> <ul style="list-style-type: none">• A spouse or dependent relative of an institutionalized individual continues to reside in the home while the individual is institutionalized;<ul style="list-style-type: none">○ Dependency may be financial or medical○ Relatives may include child, step-child, grandchild, parent, step-parent, grandparent, sibling, step-sibling, half sibling, aunt, uncle, cousin niece, nephew, in-laws; <p style="text-align: center;"><u>or</u></p> <ul style="list-style-type: none">• Sale of the home would cause an undue hardship to a co-owner due to loss of housing. <p>Obtain a statement from the dependent relative or the co-owner to apply either of the above exclusions.</p> <p><u>Multiple Residences</u></p> <p>Only one residence can be excluded as home property. If there are multiple residences, determine the principal place of residence, considering such points as how much time is spent at each residence; where the individual is registered to vote; and which address the individual uses for mail and tax purposes.</p>

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Home Property (Continued)

Procedure
<u>Treatment of Home Property Under Liberalized Resource Policy</u> <p>Under liberalized resource policy:</p> <ul style="list-style-type: none">• Home property can be excluded regardless of intent to return home or whether a dependent relative lives on the property.• Each client is allowed one home that can be excluded regardless of its use.• If more than one residence is owned, exclude the property that would be most advantageous to the client. Equity Interest Disqualification <p>For long term care applications filed on or after January 1, 2006, there is a disqualification for individuals with equity interest in their home of greater than \$500,000.. This provision will not prevent an individual from using a reverse mortgage or home equity loan to reduce the total equity interest in the home.</p> <p>This disqualification period means that the homeowner who is in long term care can qualify for all Medicaid services except vendor payment of nursing facility services as long as equity interest exceeds the \$500,000. limit. If Medicaid eligibility is dependent upon participation in the HCBS waiver, the individual is ineligible for full Medicaid services as long as equity in the home exceeds the limit; however, a Medicare Savings Program can be approved if criteria are met. Undue hardship can be found to exist if a lien or legal impediment exists causing the individual to be unable to access the equity.</p> Reverse Mortgages <p>A reverse mortgage is an agreement in which a lending company makes a lump sum (subject to being counted as a resource the month following month of receipt); available line of credit (subject to being counted as a resource the month following month of receipt); or regular payments (treated as loan proceeds) to a homeowner during a specific period of time. The amount of payment is determined by the amount of equity the homeowner has in the home. The homeowner is allowed to remain in the home until his/her death. At that time, the home is sold and/or the lender is repaid. Reverse mortgages are available to homeowners age 62 or older who own a debt-free or nearly debt-free home. Funds received from a reverse mortgage in any form that are transferred, either in the month of receipt or subsequent months, are subject to a transfer penalty unless an allowable exception applies (such as spousal transfers).</p>